

Administration Seeks to Regulate Service Exports

By Joanne Omang
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The Reagan administration, as part of its effort to curb international terrorism, is proposing a fundamental shift in U.S. trade policy under which for the first time the government would be able to regulate services as well as goods sold overseas.

The services covered would be such as training, logistical, mechanical, maintenance or technical services" going to "the security forces of any foreign government," according to a

draft proposal circulating in Congress.

The draft, which has not been formally submitted, has come under fire from some congressional staff members and civil libertarians as allowing the president too much discretion in defining which services are to be prohibited to which countries, and on what grounds.

The proposal represents the administration's third attempt to meet public and congressional objections to its original anti-terrorism plan, submitted in January, which would have made it a crime to "act in con-

cert with" terrorist organizations or countries listed by the secretary of state.

During June that was attacked in House and Senate hearings as far too vague. Critics said it might cover lobbying here by supporters of a foreign government as well as health and humanitarian or educational aid to people living under a totalitarian regime.

Critics also said that any list of terrorist groups or countries would be arbitrary and impossible to keep current, and would not deal with the problem of unofficial state-sup-

ported terrorism. Rep. Dante B. Fascell (D-Fla.), chairman of the House Foreign Affairs Committee, suggested that the administration try to identify specific acts, such as weapons-assembly training, that it wanted to prohibit and return with legislation controlling those.

"This is the most recent effort on the part of the [State] department and the [House Foreign Affairs] committee to find an answer to the problem, because the committee and the department are agreed that

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the problem is real," said Terrell E. Arnold, deputy director of the State Department's Office for Counterterrorism and Emergency Planning.

The draft, prepared by Arnold's office, says the exact services covered would be spelled out in regulations promulgated and transmitted to Congress after the bill is passed. It defines "security forces" as "any military or paramilitary force, any police or other law enforcement agency, and any intelligence agency of a foreign government."

Anyone seeking to provide the listed services to such groups anywhere in the world would be required to seek a license from the State Department, which could revoke it without prior notice.

A license could be refused upon presidential determination that refusal was warranted by a "threat posed by acts or likely acts of international terrorism to U.S. persons or property, or to the national security or foreign policy interests of the United States," according to the draft.

"It's narrower than the first scheme, but by leaving it to regulation and discretion of the executive branch to define what services may or may not be included, it still runs afoul of the First Amendment by threatening to prohibit protected activities," said Jerry Berman, legislative counsel of the American Civil Liberties Union. "It has no definitional boundaries."

He noted that administration witnesses, asked about defining services useful to terrorists, had been unable to say whether they might, for example, include sending canned food to another country because the food mi

U.S. service industries operating overseas on a large scale include computers, banking, travel, health care, construction and agriculture, among others, according to the Office of the Special Trade Representative in the White House.

Other critics said that many groups that some call terrorist, like the Palestine Liberation Organization, have no overt link to government security forces and operate in more than one country, and that the ban would not halt financial aid, probably the biggest aspect of U.S. citizens' involvement in the problem.

One official of a major export trade association said that the proposal ignores the fact that "the United States, but not the government, is probably the No. 1 supporter of the Irish Republican Army, the Armenian terrorists, the death squads in El Salvador and the anti-Castro movement."

Products, weapons and defense-related technology already are regulated under national security language in the Export Administration Act and the Arms Export Control Act, which touch on services only in relation to the operation of military equipment, such as missiles. There are no controls over private U.S. spending abroad.